

VZCZCXRO1073

PP RUEHAG RUEHAST RUEHBI RUEHCI RUEHDBU RUEHDF RUEHIK RUEHLH RUEHLN

RUEHLZ RUEHPW RUEHROV RUEHVK RUEHYG

DE RUEHAA #1251 3241212

ZNR UUUUU ZZH

P 201212Z NOV 07

FM AMEMBASSY ASHGABAT

TO RUEHC/SECSTATE WASHDC PRIORITY 9719

INFO RUCNCLS/ALL SOUTH AND CENTRAL ASIA COLLECTIVE

RUCNCIS/CIS COLLECTIVE

RUCNMEM/EU MEMBER STATES COLLECTIVE

RUEHAK/AMEMBASSY ANKARA 2990

RUEHBJ/AMEMBASSY BEIJING 0808

RUEHKO/AMEMBASSY TOKYO 0682

RUEHIT/AMCONSUL ISTANBUL 1258

RUEATRS/DEPT OF TREASURY WASHDC

RHEHNSC/NSC WASHDC

RHMFIUU/CDR USCENTCOM MACDILL AFB FL

RUEAIIA/CIA WASHDC

RHEFDIA/DIA WASHDC

RUEKJCS/Joint STAFF WASHDC

RUEKJCS/SECDEF WASHINGTON DC

RUEHVEN/USMISSION USOSCE 1906

UNCLAS ASHGABAT 001251

SIPDIS

SENSITIVE

SIPDIS

STATE FOR SCA/CEN, EEB

E.O. 12958: N/A

TAGS: PGOV EFIN TX

SUBJECT: BERDIMUHAMEDOV EMPHASIZES: DO NOT ROCK THE MANAT
BOAT

REF: ASHGABAT 1239

¶1. (U) Sensitive but unclassified. Not for public Internet.

¶2. (U) According to a November 20 article in "Neutral Turkmenistan," Minister of Economy and Finance Hojamyrat Geldimyradov reported on the "leveling" of the manat/dollar exchange rate (reftel) at a Council of Ministers meeting on November 19. Emphasizing the exceptional importance of the currency issue to Turkmenistan's people, President Gurbanguly Berdimuhamedov then warned against hasty decisions related to the exchange rate. He instructed those with responsibilities in this area to consult more closely with international experts, especially with the UN and the International Monetary Fund (IMF).

¶3. (SBU) COMMENT: With the unofficial exchange rate now remaining steady at around 22,500 manats per dollar, Central Bank Chairman Geldimyrat Abylov hangs on, although according to the word on the street, his future remains very uncertain.

Berdimuhamedov has made clear in his way that a repeat of last week's exchange-rate drama will not be tolerated, and post expects that the next financial reforms will come more slowly and deliberately. All this suggests, however, that last week's one-day wild fluctuation of the exchange rate might indeed have been the result of a poorly executed plan by Turkmenistan's financial establishment. END COMMENT.

HOAGLAND